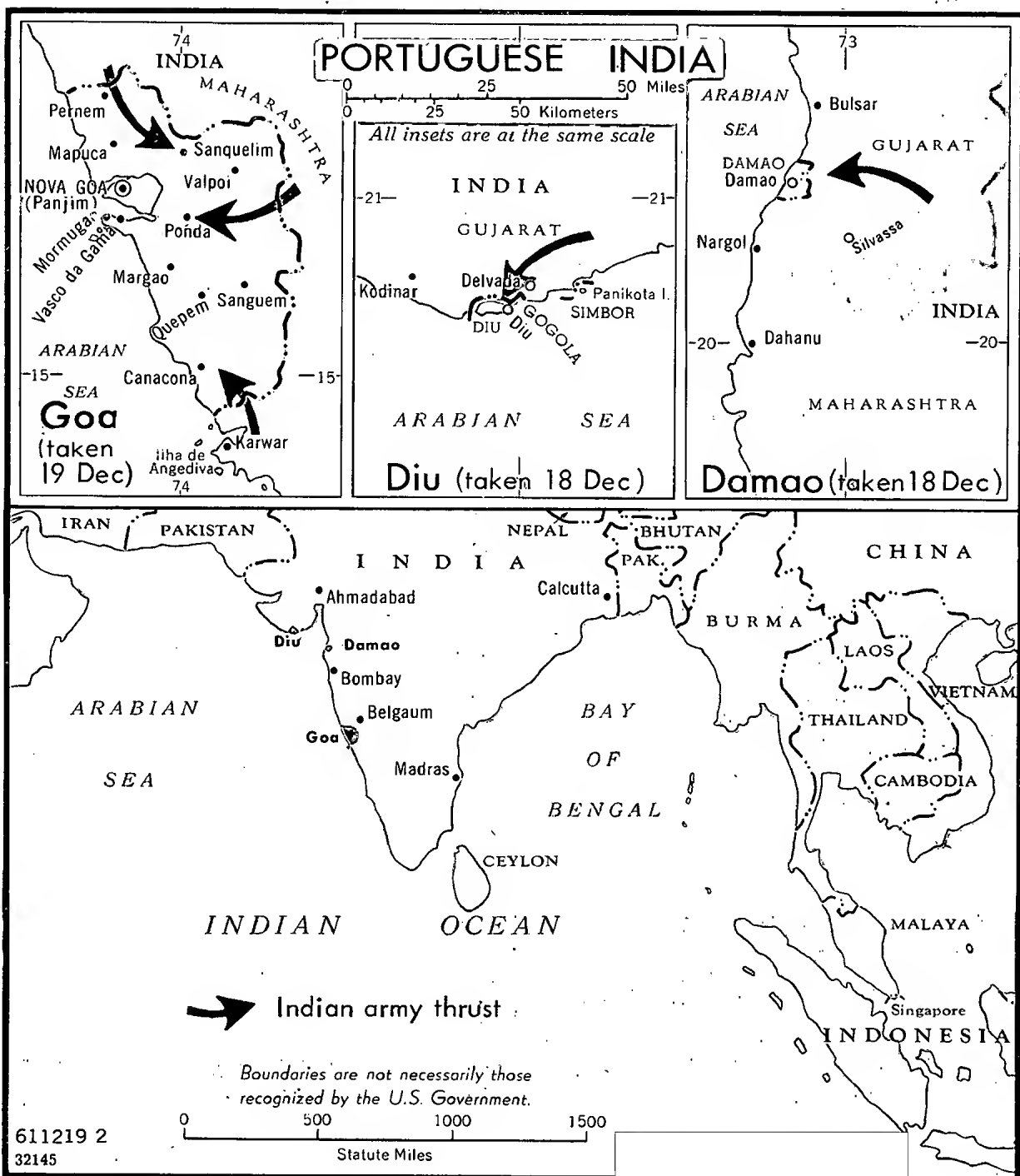


THE PRESIDENT'S INTELLIGENCE CHECKLIST

19 DEC. 1961

~~TOP SECRET~~



1. Indian army completes seizure of Goa on schedule

1) India announced Portuguese capitulation in all three enclaves this morning following the army's thrust cutting Goa in two and breaking the back of Portugal's outmanned and outgunned resistance.

A military governor has been appointed and mopping-up continues.

2) Last night's Soviet veto of a Security Council resolution calling for a cease-fire and Indian withdrawal has stalled UN action.

Krishna Menon is due in New York tomorrow morning.

3) In their frustration, the Portuguese consider themselves let down by their NATO partners. The Foreign Minister warned Rusk on Friday to expect "the possibility of a fundamental change in foreign policy" should Goa be lost.



2. Congo

- 1) Tshombé and Ambassador Gullion departed Ndola this morning to meet Adoula at Kitona and a de-facto cease-fire is in effect in Elizabethville. We continue pessimistic for an early accommodation, however.
 - 2) Regardless of the outcome of the talks, Adoula is facing serious dissension and a possible cabinet crisis in his own government. Leftist Interior Minister Gbenye reportedly has broken with Adoula over internal security control and, fearing arrest, contemplates joining Gizenga in Stanleyville.
 - 3) UN forces in Elizabethville control most of the city although pockets of Katangan resistance continue. Tshombé's forces appear disorganized and probably number no more than 1,600 in the city proper.
 - 4) Formal UN approval is expected today of Adoula's request for limited entry of Congo Army troops into Katanga under UN auspices.
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50X1

50X1

3. Sukarno issues "peoples command" on West New Guinea
 - 1) His speech this morning-in effect an ultimatum-formally puts the Dutch and the world at large on notice of his intent to gain control of the disputed territory by military adventure if necessary. As expected, he set no specific date for "liberation."
 - 2) Continued preparations for possible armed action are reflected in the Indonesian Air Ministers concurrent announcement of Air Force command for the Molucca and West New Guinea districts and his order that all air space over the area be closed "in the shortest possible time."
4. Meanwhile, economic problems continue to plague Indonesia
 - 1) Finance Minister Djuanda last week reaffirmed the serious state of the economy and imminent exhaustion of foreign exchange reserves, now at lowest levels since independence- (less than \$19 million against which \$22 million letters of credit are outstanding.)
 - 2) Reaping the fruits of poor planning and Sukarno's policies, the government faces prospects of (1) suspending major development projects, (2) seeking emergency foreign loans, (3) pay-as-you-go financing of essential imports.
 - 3) Further, repayment obligations on Communist arms 50X1 purchases and future drawings against aid credits will 50X1 require direction of a much larger proportion of trade to the Bloc.

5. East German popular unrest and resentment reach proportions not seen since early 1953

1) Disaffection among all classes has resulted from Ulbricht's uncompromising program of grim economic austerity and hard-line Communism, pushed vigorously since closure of the Berlin "escape-hatch."

2) Khrushchev's unexpected Stalin attack and waiver of the peace treaty deadline has seriously aggravated this mood and spread confusion in party echelons. [redacted]

[redacted] confusion and vacillation at lower party levels is continuing. [redacted]

50X1

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3) While Soviet military power remains a strong deterrent, we believe the popular mood is such that local and sporadic violent outbreaks, particularly in industrial centers, could develop into a large-scale uprising if the internal situation deteriorates further and the regime evidences any weakness in handling public discontent.

6. Soviet Ambassador to Guinea implicated in anti-Toure activities

1) Following-up Toure's speech last week charging an "eastern embassy" with subversive activities, the government publicly ostracized Solod at diplomatic functions and requested he leave the country. He and his wife departed Conakry Saturday.

2) We believe this episode, risking the displeasure of Guinea's main Bloc aid supplier, reflects Toure's determination to remove any influence, whether from East or West, threatening his tight control.

NOTES

- A. North Vietnam is arranging to send a symbolic 2,000 tons of rice to Albania, thus joining Communist China in demonstrating economic support for Albania in the face of Soviet moves to impose economic sanctions against Haxha.
- B. The Istanbul governor informs our people of a possible second Turkish revolution--orderly and non-violent--to be led by senior military officers who oppose pending legislative proposals and favor strong centralized government a la De Gaulle.
- C. Jubilance reigns in Taipei following the favorable UN vote on Chinese Communist representation. Foreign Minister Yeh indicates President Chiang will express his gratitude in writing to President Kennedy.
- D. East Germany has rejected West Berlin efforts to arrange a permit system under Red Cross auspices for holiday visits to East Berlin. The West Berlin press and Mayor Brandt have reacted sharply.
- E. The conservative victory in Sunday's Naha mayoralty election, while close, continued conduct of the reversion movement within moderate bounds and reduces Japanese leftist potential to exploit the issue against Ikeda.

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